

CHAPTER NO. 732

SENATE BILL NO. 2077

By Cooper

Substituted for: House Bill No. 2147

By Matheny, Lynn, Black

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 2, relative to exemption of property from taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-212, is amended by adding the following language as a new, appropriately designated subsection:

(n) There shall be exempt from property taxation the real and personal property, or any part thereof, that is owned by a religious or charitable institution and that is occupied and used by such institution for a thrift shop, provided that:

(1) The institution is exempt from payment of federal income taxes under Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3));

(2)(A) The thrift shop is operated as a training venue for persons in need of occupational rehabilitation; or

(B) The thrift shop is operated primarily by volunteers;

(3) The inventory of the thrift shop is obtained by donation to the institution that owns and operates the shop;

(4) Goods are priced at levels generally ascribed to used property;

(5) Goods are given to persons whose financial situations preclude payment; and

(6) The net proceeds of the thrift shop are used solely for the charitable purposes of the institution that owns and operates the shop.

SECTION 2. Tennessee Code Annotated, Section 67-5-212, is further amended by adding the following new subdivision:


() Land not necessary to support exempt structures or site improvements associated with exempt structures, including land used for recreation, retreats or sanctuaries, shall not be eligible for exemption beyond a maximum of one hundred (100) acres per county for each religious, charitable, scientific or nonprofit educational institution qualified for exemption pursuant to this section. For purposes of applying this limit, land owned by an exempt institution shall be aggregated with land owned by related exempt institutions having common ownership or control. Land in excess of the limit may be designated by the county for open space classification pursuant to Section 67-5-1007 as an alternative to exemption.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it, and in addition to prospective applications shall apply to applications pending or under appeal to the State Board of Equalization on its effective date.

PASSED: May 10, 2004



JOHN S. WILDER
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 24th day of May 2004



PHIL BREDEZEN, GOVERNOR